THIRD WAY

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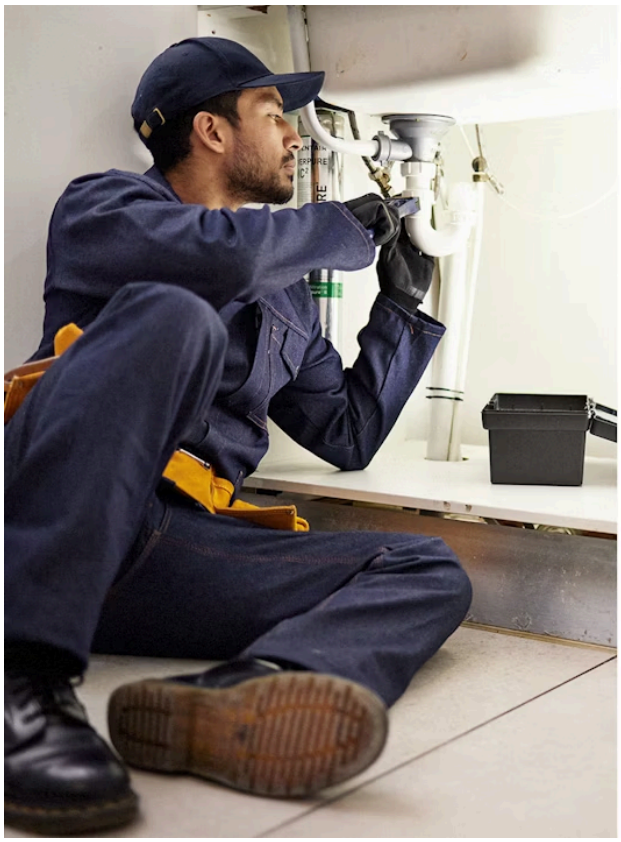
Ahead of the Pack: Explaining Top Earning Non-College Workers



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Takeaways

Non-college workers face significantly more economic headwinds than their college educated peers. But not all workers without a college degree fare the same. In this paper, we examine the top earners among non-college workers. Our findings:

- Top-earning non-college workers make at least $43,600 annually.
- Top-earning non-college workers are more likely to be male, older, and less diverse than their peers.
- Between 1992 and 2024, Hispanic workers' share of the top-earning non-college population more than tripled.
- Blue-collar representation among the top-earning non-college population fell by 3% since 1992.
- A top-earning non-college worker is 14 percentage points more likely to have some college experience than the overall non-college worker.

The paths to the middle class for those without a four-year college degree seem to disappear more every year. As we recently uncovered, college graduates have significantly more income, retirement savings, net worth, and ability to be insured. However, we found that there is a segment of workers without a college degree who are breaking from these trends and achieving economic success. In this report, we build on our previous work defining and analyzing the economic outcomes facing those in this country without a college degree. We specifically look at the top-earning 25% of working age adults without a four-year degree and explore what puts them ahead of the pack over the last 30 years. [1]

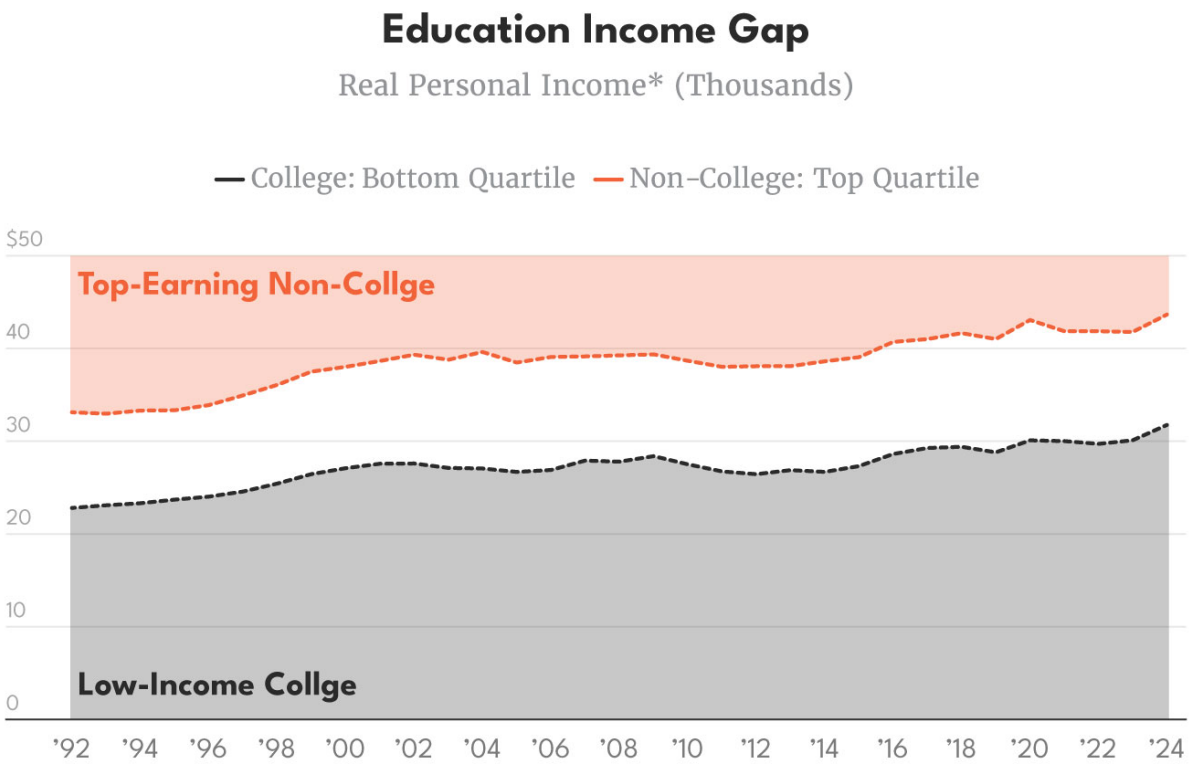
In this paper, we take a deep dive into this top-earning non-college group asking: Who are they? What do they do? And what is education's role in driving this trend?

The Top-Earning Non-College Worker

In 2024, the median non-college worker (aged 25 to 64) made $22,000 less than their college-educated counterpart (non-college: $28,000, college: $49,000). [2] But while non-college workers continue to

earn less than their college educated peers, the top quarter of non-college workers (as shown on the graph below in blue) earned at least $43,600 a year, outpacing many college-educated workers. In 2024, **the top-earning non-college workers made at least $12,000 more than those in the bottom income quartile of college educated workers** (as shown in orange on the graph below). [3]

Over the past three decades, all non-college workers in the top-earning quartile earned more than their college-educated peers in the bottom-earning quartile. Put another way—being a top-earning non-college worker means that you are guaranteed to earn more than if you are a college worker in the bottom-earning quartile.



*Note: Personal Income is adjusted according to PCE Indexed in 2017.

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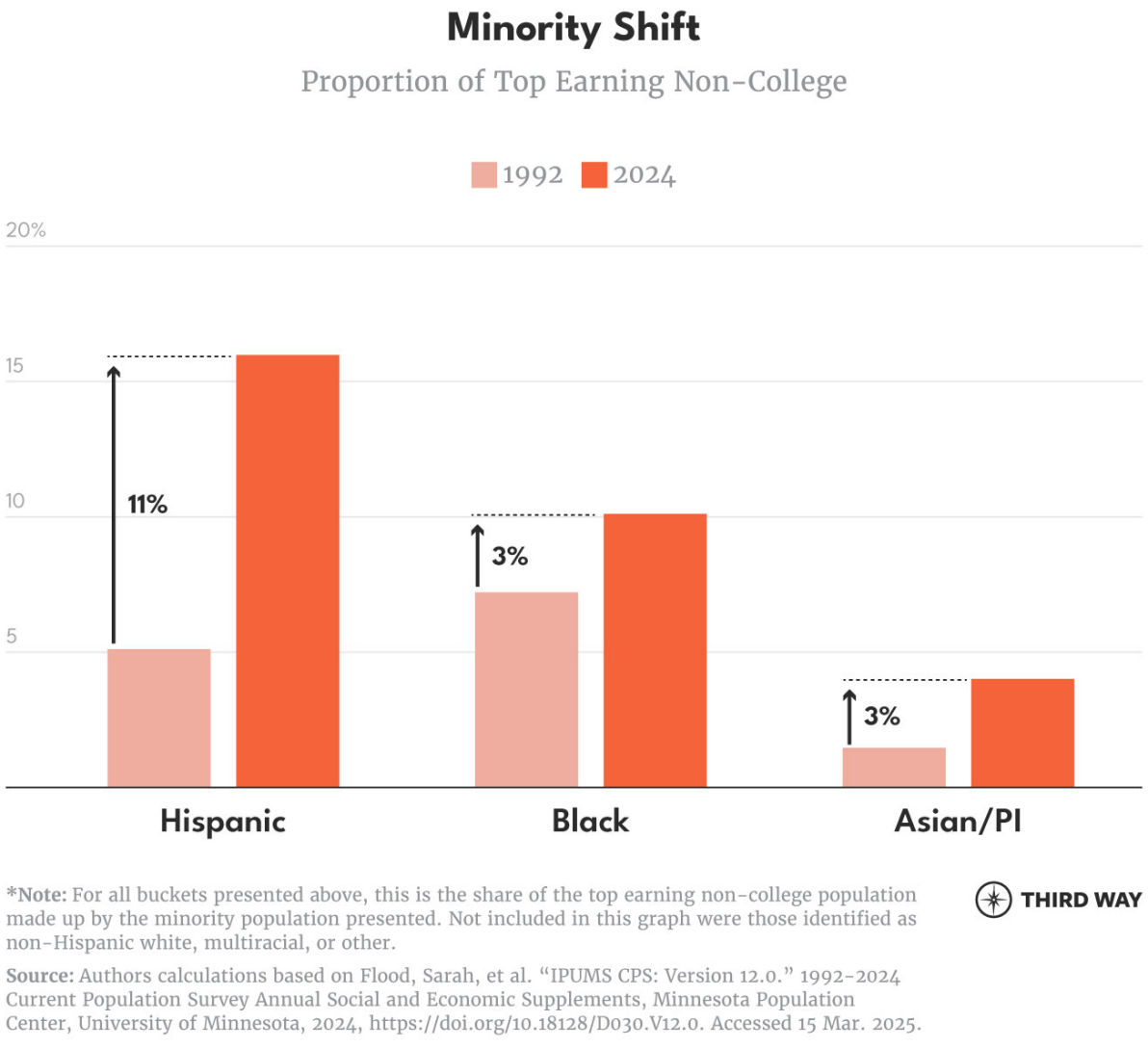
Source: Authors calculations based on Flood, Sarah, et al. "IPUMS CPS: Version 12.0." 1992-2024 Current Population Survey Annual Social and Economic Supplements, Minnesota Population Center, University of Minnesota, 2024, https://doi.org/10.18128/D030.V12.0. Accessed 15 Mar. 2025; U.S. Bureau of Economic Analysis, "Personal Consumption Expenditures: Chain-type Price Index [DPCERG3A086NBEA]", retrieved from FRED, Federal Reserve Bank of St. Louis, Jul. 2025, https://fred.stlouisfed.org/series/DPCERG3A086NBEA. Accessed 15 Mar. 2025.

Who: Slow But Noticeable Diversity Shifts

In a previous report, we found that non-college workers were more likely to be male, older, and more diverse than their college counterparts. **Our new research finds that the top-earning non-college workers are more likely to be male** (72% vs. 57%), **slightly older** (by four years), **and less diverse** (32% vs. 47% non-white) **than their non-college peers overall.** [4]

Since 1992, this subgroup has been consistently older and less diverse than their non-college counterparts. The proportion of minority workers in the group only grew by 18 percentage points compared with the 23 percentage point shift seen in the overall non-college population. [5]

But other patterns emerge—**Hispanic workers and women have bucked this trend and made progress in entering this top-earning non-college population**. There was an 11 percentage point increase in the share of Hispanic workers in the top-earning non-college population—5% in 1992 to 16% in 2024—which was far above the three percentage point increase seen by both Black and Asian workers. [6] Women in the top-earning non-college population likewise saw an increase of five percentage points from 23% in 1992 to 28% in 2024, compared with the four percentage point drop in the overall non-college population from 47% to 43%. [7]



*Note: For all buckets presented above, this is the share of the top earning non-college population made up by the minority population presented. Not included in this graph were those identified as non-Hispanic white, multiracial, or other.

Source: Authors calculations based on Flood, Sarah, et al. "IPUMS CPS: Version 12.0." 1992-2024 Current Population Survey Annual Social and Economic Supplements, Minnesota Population Center, University of Minnesota, 2024, https://doi.org/10.18128/D030.V12.0. Accessed 15 Mar. 2025.

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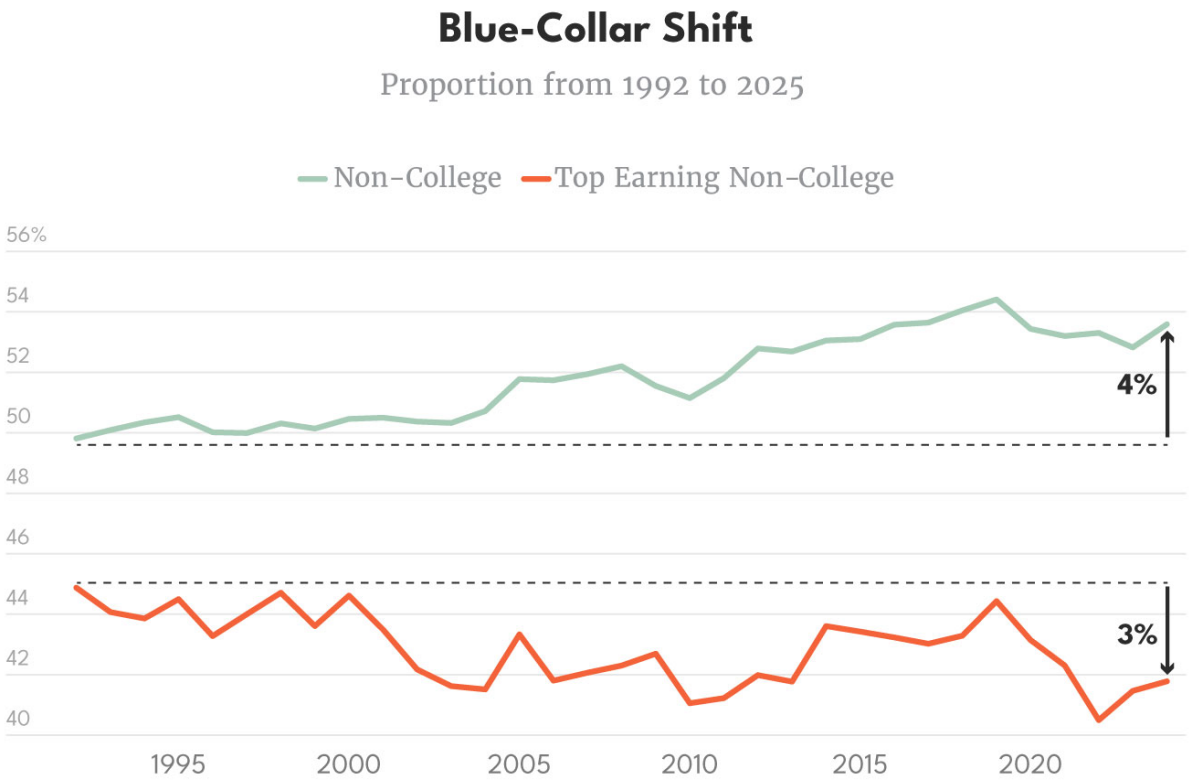
What: A Blue-Collar White-Collar Divergence

The traditional image of a non-college worker is one who walks immediately from high school graduation to the local factory. However, a widening gap has emerged between the non-college group overall. Within the top-earning non-college population, the share who are in blue-collar work has declined by three percentage points—from 45% in 1992 to 42% in 2024. During the same period, the share of blue-collar workers among the larger non-college population grew by four percentage points, from 50% to 54%. [8]

This trend is both a result of employment shifts among industries and the type of work done within these sectors.



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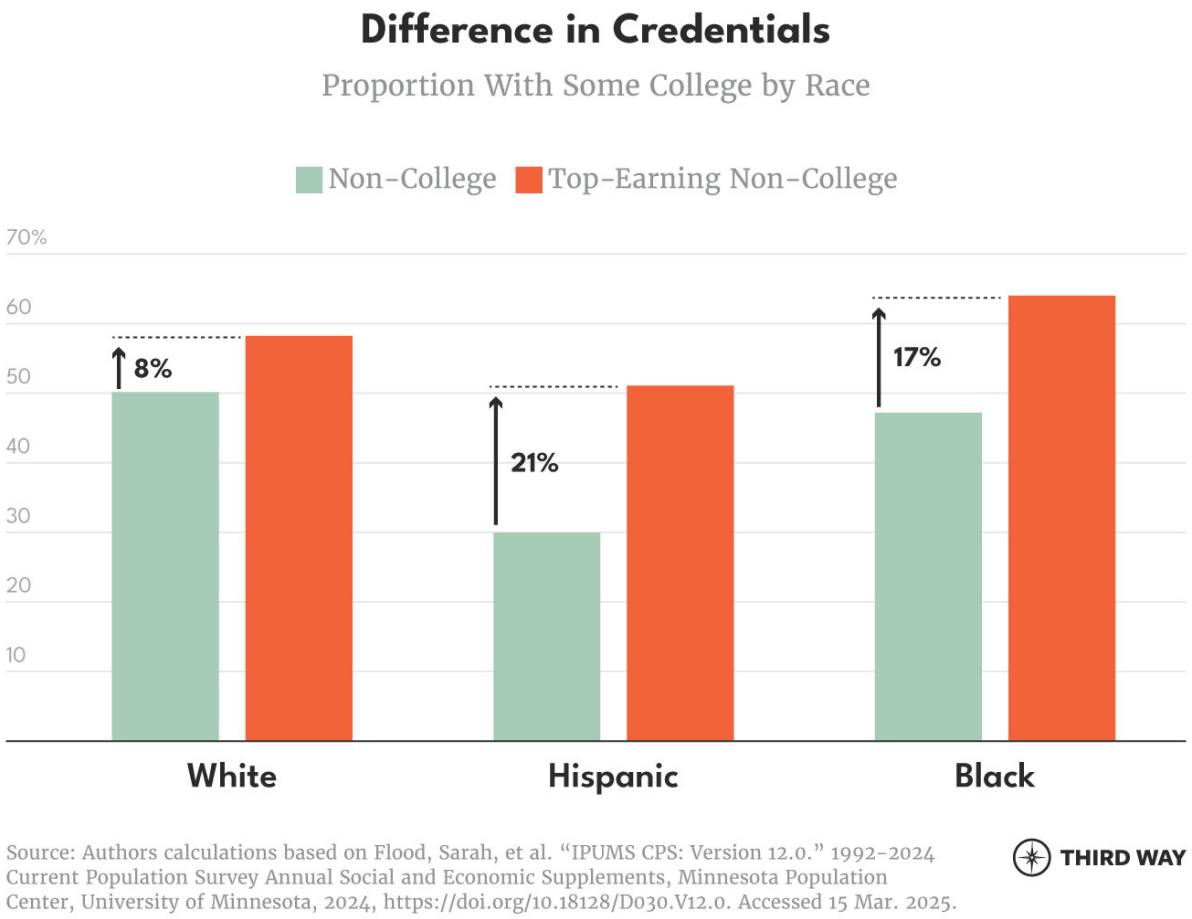
At the industry level, the top-earning non-college worker was shifting away from traditionally blue-collar industries to traditionally white-collar industries. [9] Businesses in **the manufacturing industry saw an 11 percentage point drop** (26% to 15%) and **those in the transportation industries a four percentage point drop** (17% to 13%) in their share of top-earning non-college workers. White-collar industries like business services and professional services each saw a four percentage point rise in the share of top-earning non-college workers. [10]

Alongside the industry-level changes, several traditionally blue-collar industries shifted towards white-collar work. For example, the manufacturing industry saw a nine percentage point decline in the proportion of blue-collar jobs (59% to 50%) as automation and outsourcing became lower-cost alternatives to domestic factory floor work. This shifted the workforce composition towards more white-collar workers like quality assurance engineers and bookkeepers. The rise in construction standards and technical requirements has also increased the demand for management and oversight roles in the construction industry, leading to a seven percentage-point decline in the blue-collar proportion of top-earning non-college construction employees (71% to 63%). [11]

Education: Value from Credentials and Training

Compared with non-college workers overall, top-earning non-college workers are more likely to be credentialed. **The share of workers with at least some college experience** (but still not a four-year degree) **is 14 percentage points higher in the top-earning non-college population than the overall non-college population** (58% vs. 44%). Additionally, those in the top-earning non-college population have seen a greater rise in the share of associate's degrees over the last 30 years—from 15% to 29%—than those in the overall non-college population—from 10% to 21%. [12] It is likely this trend will continue as service industries will require a higher level of technical skills. For example, some estimates say 69% of current service workers obtain an education for their job or career advancement. [13]



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When breaking the top-earning non-college population down by race and ethnicity, we see that at least half of workers in each group had at least some college experience. However, minority groups have a much higher concentration of educated workers in the top-earning non-college group when compared to their non-college peers. In comparison, the share of college-experienced white top-earning non-college workers is only eight percentage points higher than the overall white-non-college population, while for the Hispanic population, it is 21 percentage points. [14]

Conclusion

Top-earning non-college workers have pushed ahead of their non-college peers and built a more comfortable life for themselves outside the bounds of a normal four-year degree. Improving the economic circumstances of all non-college workers means looking to these success stories and finding ways to improve the pathways to opportunity for everyone without a college degree. This means promoting industry and educational partnerships to promote high-demand skills. It also means providing more credentialling opportunities and knowledge-based support to workers as they transition to new modes of working. Going to college is not the right option for many workers, but by understanding those who are doing well without a degree, we can better empower workers to build a better life.

ENDNOTES

1. Author's calculations based on IPUMS' harmonization of the Census Bureau's CPS survey from 1992-2024. To analyze top-earners, the authors separated out non-college workers in the top-income quartile (adjusted by the PCE deflator) from the broader group of non-college, employed civilians aged 25 to 64. Comparing the makeup of these two groups by race, gender, job-type, industry, and education, authors identified how the top-earning non-college workers have changed over time. Flood, Sarah, et al. "IPUMS CPS: Version 12.0." 1992-2024 Current Population Survey Annual Social and Economic Supplements, *Minnesota Population Center, University of Minnesota*, 2024, https://doi.org/10.18128/D030.V12.0. Accessed 15 Mar. 2025; U.S. Bureau of Economic Analysis, "Personal Consumption Expenditures: Chain-type Price Index [DPCERG3A086NBEA]", retrieved from FRED, *Federal Reserve Bank of St. Louis*, Jul. 2025,https://fred.stlouisfed.org/series/DPCERG3A086NBEA. Accessed 15 Mar. 2025.

2. Any differences in calculation are due to rounding errors.

   Authors calculations based on Flood, Sarah, et al. "IPUMS CPS: Version 12.0." 1992-2024 Current Population Survey Annual Social and Economic Supplements, *Minnesota Population Center, University of Minnesota*, 2024, https://doi.org/10.18128/D030.V12.0. Accessed 15 Mar. 2025.

3. And about two-third of theses top noncollege workers earned more than the median college grad.

   The Investopedia Team. "What is Middle Class Income? Thresholds, is it Shrinking?" *Investopedia*, Oct. 2024, https://www.investopedia.com/financial-edge/0912/which-income-class-are-you.aspx. Accessed 11 Jul. 2025.

   Authors calculations based on Flood, Sarah, et al. "IPUMS CPS: Version 12.0." 1992-2024 Current Population Survey Annual Social and Economic Supplements, *Minnesota Population Center, University of Minnesota*, 2024, https://doi.org/10.18128/D030.V12.0. Accessed 15 Mar. 2025.

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6. Authors calculations based on Flood, Sarah, et al. “IPUMS CPS: Version 12.0.” 1992-2024 Current Population Survey Annual Social and Economic Supplements, *Minnesota Population Center, University of Minnesota*, 2024, https://doi.org/10.18128/D030.V12.0. Accessed 15 Mar. 2025.

7. Authors calculations based on Flood, Sarah, et al. “IPUMS CPS: Version 12.0.” 1992-2024 Current Population Survey Annual Social and Economic Supplements, *Minnesota Population Center, University of Minnesota*, 2024, https://doi.org/10.18128/D030.V12.0. Accessed 15 Mar. 2025.

8. Authors calculations based on Flood, Sarah, et al. “IPUMS CPS: Version 12.0.” 1992-2024 Current Population Survey Annual Social and Economic Supplements, *Minnesota Population Center, University of Minnesota*, 2024, https://doi.org/10.18128/D030.V12.0. Accessed 15 Mar. 2025.

9. Traditionally blue-collar industries defined by industries in the top-earning non-college population with over 50% blue-collar occupations in 1992.

10. Using occupation categorizations defined by Census authors defined blue-collar and white-collar jobs. White-collar was any job categorized as “management, professional, and related” and “sales and office”, all other occupations were defined as blue-collar. U.S. Census Bureau. “Industry and Occupation Code Lists & Crosswalks” *Census.gov*, May 2025, https://www.census.gov/topics/employment/industry-occupation/guidance/code-lists.html. Accessed 15 Mar. 2025.

    Authors calculations based on Flood, Sarah, et al. “IPUMS CPS: Version 12.0.” 1992-2024 Current Population Survey Annual Social and Economic Supplements, *Minnesota Population Center, University of Minnesota*, 2024, https://doi.org/10.18128/D030.V12.0. Accessed 15 Mar. 2025.

11. “The Rise of White-Collar Jobs in Construction.” *CTF Construction Training Fund, Government of Western Australia,* May 2024, https://ctf.wa.gov.au/about-us/news/white-collar-construction-jobs. Accessed 18 Jul. 2025.

    Authors calculations based on Flood, Sarah, et al. “IPUMS CPS: Version 12.0.” 1992-2024 Current Population Survey Annual Social and Economic Supplements, *Minnesota Population Center, University of Minnesota*, 2024, https://doi.org/10.18128/D030.V12.0. Accessed 15 Mar. 2025.

12. Authors calculations based on Flood, Sarah, et al. “IPUMS CPS: Version 12.0.” 1992-2024 Current Population Survey Annual Social and Economic Supplements, *Minnesota Population Center, University of Minnesota*, 2024. https://doi.org/10.18128/D030.V12.0. Accessed 15 Mar. 2025.

13. Bergson-Shilcock, Amanda. “Foundational Skills in the Service Sector.” *National Skills Coalition*, Feb. 2017, http://nationalskillscoalition.org/wp-content/uploads/2020/12/NSC-foundational-skills-FINAL.pdf. Accessed 18 Jul. 2025.

14. Authors calculations based on Flood, Sarah, et al. “IPUMS CPS: Version 12.0.” 1992-2024 Current Population Survey Annual Social and Economic Supplements, *Minnesota Population Center, University of Minnesota*, 2024, https://doi.org/10.18128/D030.V12.0. Accessed 15 Mar. 2025.